



## The Goulburn Valley Environment Group Inc.

Po Box 2073 Shepparton Vic 3632 Ph0358269557

# Murray-Darling Basin Plan: Five-year assessment

The Goulburn Valley Environment Group (GVEG) welcome the opportunity to comment on the Productivity Commission's Murray Darling Basin Plan: 5 year assessment Draft Report. We believe the Draft Report has captured the current challenges hindering the successful implementation of the Basin Plan and endorse most recommendations contained in the report. We have attempted to comment on all recommendations to a degree which we hopes gives the Commission an insight into the views of a regional environmental groups that has been closely involved in the development of the Plans and now it's implementation.

### DRAFT RECOMMENDATION 3.1

Over recovery of water should be identified in 2019 when WSP's are finalised.

*GVEG believe the Australian Government is required to recover 2137 GL of surface water by 1 July 2019. This figure includes the 62GL to be recovered through efficiency measures that is required to meet the Basin Plan limit on SDL adjustment to 5% of the overall SDL*

*GVEG believe that given the uncertainty remaining over the delivery of Supply projects and the timing of achieving acceptable Constraints Management Strategies any over-recovery considerations should be postponed until after the Basin Plan reconciliation in 2024*

### DRAFT RECOMMENDATION 3.3

If provided, the Australian Government should target any further assistance to communities where substantial adverse impacts from water recovery have been identified. This should: •have clear objectives and selection criteria are subject to monitoring and evaluation. Any support for regional development should align with the Productivity Commission's strategies for transition and development, set out in its report on *Transitioning Regional Economies*.

*GVEG strongly support this recommendation, an audit of environmental water savings to date is required to ensure that 1 water recovered for the environment is genuine.*

## Chapter 4 — Supply measures and Toolkit

#### **DRAFT RECOMMENDATION 4.1**

Basin Governments must resolve governance and funding issues for supply measures. They should develop an integrated plan for delivering supply projects to improve understanding and management of interdependencies within the package of supply projects within 12 months.

GVEG supports this recommendation

#### **DRAFT RECOMMENDATION 4.2**

Basin Governments should extend the 30 June 2024 deadline for supply measures to be operational where it would allow projects that offer value for money to be retained and their full benefits to be delivered within credible timeframes.

GVEG has strong reservations with this recommendation, given the long lead time already given to the development of these projects and the June 2024 deadline

#### **DRAFT RECOMMENDATION 4.3**

The Murray-Darling Basin Authority (as Basin Plan Regulator) must devise a strategy for undertaking the reconciliation of supply measures against environmental equivalence. This strategy should include an adaptive management approach to assessing reasonable progress to enable projects to be delivered in realistic timeframes.

GVEG supports this recommendation

#### **DRAFT RECOMMENDATION 4.4**

The Department of Agriculture and Water Resources should establish a review process to determine if projects offer value for money and to determine credible timelines before final funding is approved.

#### **DRAFT RECOMMENDATION 4.5**

Northern Basin Governments should put in place transparent and accountable governance arrangements for implementing the Northern Basin Toolkit. These arrangements should include: • a mechanism to establish clear milestones to ensure the Toolkit measures are implemented within reasonable timeframes • an independent assessment by the Murray-Darling Basin Authority, as Basin Plan Regulator, of progress and effectiveness in implementing the measures.

GVEG supports this recommendation but considers further actions should be considered to ensure State government compliance

## **Chapter 5 —Efficiency measures**

#### **DRAFT RECOMMENDATION 5.1**

The Murray-Darling Basin Authority should immediately update and publish its modelling to establish the environmental benefits of additional water recovery with the current proposals for easing or removing constraints.

GVEG believes this recommendation should include an opinion by the PC on what socio-economic neutrality criteria they believe should be considered.

## **DRAFT RECOMMENDATION 5.2**

The Department of Agriculture and Water Resources should release a new strategy for recovering the additional 450GL in a no regrets fashion in early 2019. No regrets water recovery requires that:

- the strategy should plan for a range of scenarios for constraint easing or removing and costs, and evolve as new information becomes available
- water recovery should align with progress in easing or removing constraints
- the volume, type and location of water recovered should clearly contribute to achieving the enhanced environmental outcomes in Schedule 5 of the Basin Plan
- alternative water products (such as leases and options) should be considered where capable of meeting enhanced environmental outcomes at a lower cost than the permanent recovery of entitlements
- program design and implementation should explicitly consider potential socio-economic impacts and include mitigation strategies. This should include close engagement with affected communities and industries
- prices paid for water (per ML and total expenditure) should be within predetermined benchmarks. Where they exceed this benchmark, projects should be subject to independent scrutiny and the reasons made publicly available.

GVEG agree with most of the recommendations encompassed in of 5.2 but strongly opposed any “alignment” of water recovery to the easing or removing of constraints. States appear to have purposely not acted on constraints management strategies in the hope that this will either delay or undermine the additional 450GL.

“Alignment” would reinforce this this strategy and further delay the efficient delivery of E-flows irrespective of securing the 450 GL. The removal or easing of constraints is required now for the health of all rivers affected.

We believe the option of targeted buy-back of water should be reinstated for consideration.

## **DRAFT RECOMMENDATION 5.3**

The Water Minister should direct the independent review of the Water for the Environment Special Account scheduled for 2021 to review the benefits and costs of pursuing the enhanced environmental outcomes in Schedule 5. This should include:

- identifying what enhanced environmental outcomes can be achieved, given progress in easing or removing constraints, and how much environmental water would be required to do so
- the benefits and costs of other approaches to achieving those environmental outcomes.

The Australian Government should use this information to determine how to proceed with water recovery in a way that maximises net benefits to the community, or whether to pursue the enhanced environmental outcomes through other means.

GVEG believes a recommendation on what is needed to ensure constraints projects can be achieved by 2024 should be include in this recommendation.

## Chapter 6 — Water resource planning

### **DRAFT RECOMMENDATION 6.1**

Basin Governments should immediately negotiate a path way for granting extensions to the timelines for accrediting Water Resource Plans where there are outstanding issues to give sufficient time for adequate community engagement. Extensions should only be given in limited circumstances, particularly where there are material impacts that require negotiation of substantive changes to state-based water management rules.

GVEG supports this recommendation.

### **DRAFT RECOMMENDATION 6.2**

In the next 12 months, the Murray-Darling Basin Authority (as Basin Plan Regulator) should:

- clarify what Basin States are required to self-report annually to show compliance with Water Resource Plan obligations
- articulate the compliance assessment regime relevant to Water Resource Plan obligations
- develop guidance and consult on how it proposes to assess future amendments to Water Resource Plans by Basin States.

GVEG supports this recommendation

### **DRAFT RECOMMENDATION 6.3**

The Murray-Darling Basin Authority(as Basin Plan Regulator) in consultation with Basin Governments should develop a detailed terms of reference to assess the effectiveness and efficiency of Water Resource Plans in preparation for the five-yearly evaluation in2020.

This evaluation should enable an assessment of the utility of Water Resource Plans for delivering on the objectives and outcomes of the Basin Plan.

GVEG supports this recommendation

## Chapter 7 — Indigenous values and uses

GVEG notes and supports MLDRIN's submission.

## Chapter 8 — Water quality

Having been involved in salinity management programs in the Goulburn Valley for almost three decades, GVEG current salinity management and catchment targets have been effective and should be retained.

## Chapter 9 —Critical human water needs

### DRAFT FINDING 9.1

The Basin Plan provisions for supplying critical human water needs in the River Murray system in periods of low water availability are robust and no changes to the provisions are warranted.

GEVG agrees

### DRAFT FINDING 9.2

The management of critical human water needs during periods of low flow in the Lower Darling is of concern. The development of the extreme event provisions in the New South Wales Murray and Lower Darling Water Resource Plan is the process to resolve this concern.

GEVG is not convinced this process is capable of ensuring this outcome Darling River communities.

## Chapter 10 –Water trading rules

The Basin Plan water trading rules aim to contribute to more efficient water markets by introducing new requirements to improve market information and promote confidence in the market, and defining the types of trade restrictions that are permissible in the Basin.

### DRAFT FINDING 10.1

Some trade restrictions that were inconsistent with the Basin Plan trading rules have been removed.

The Murray-Darling Basin Authority (MDBA) has raised 16 instances of potential non-compliance with the trading rules with Basin States. Ten of these matters remain unresolved and the MDBA has not been clear with Basin States about the steps to resolve these in a timely way.

### DRAFT RECOMMENDATION 10.1

The Murray-Darling Basin Authority (as Basin Plan Regulator) should: develop and publish an assessment framework for evaluating the consistency of trade restrictions against the Basin Plan trading rules, which gives guidance about how to estimate the costs and benefits of removing trade restrictions

- specify the timeframes that it will endeavour to meet in resolving trading rule compliance matters notify Basin States whether the ten unresolved matters raised with them amount to non-compliance and what action is required by Basin States to resolve them publish the reasons given by Basin States for restrictions on surface water trade
- publish its compliance determinations and the assessments that support each determination.

GVEG calls for caution in regard to the removal of “trade restrictions” prior to reviews of the impacts of delivering water entitlements to downstream users on summer flows and the health of upstream sections of rivers.

## **DRAFT RECOMMENDATION 10.2**

Basin Governments should set and publish a work plan within the next 12 months that describes how delivery capacity and constraint issues associated with changes in water use and trade will be investigated and managed. The work plan should specify responsibilities, timeframes and how this information will be communicated to the water market.

Basin Governments should assign the Murray-Darling Basin Authority (as an agent of governments) responsibility for identifying and managing risks related to changes in water use and trade in connected systems.

GVEG has for over a decade been highlighting and advocating for resolution of this issue. We believe the issue to be urgent and tighter timelines for the above recommendation should be considered.

# **Chapter 11 — Environmental water planning and management**

## **DRAFT RECOMMENDATION 11.1**

The Murray-Darling Basin Authority, when developing the next five-year Basin-wide environmental watering strategy in 2019, should strengthen its value as the key strategic plan governing environmental watering across the Basin by:

- including a clear objective to ‘maximise environmental outcomes through effective and efficient environmental water management’
- Including a secondary objective that environmental watering should seek to achieve social or cultural outcomes, to the extent that environmental outcomes are not compromised
- providing clear guidance, under all water availability scenarios, on the relative priority of key Basin environmental assets (including instream assets) to achieving the overall environmental objectives of the Basin Plan and the expected outcomes set out in the strategy
- providing clear guidance, under all water availability scenarios, on the priority for achieving flow connectivity at the system scale relative to watering within an individual Water Resource Plan Area.

GVEG agrees

## **DRAFT RECOMMENDATION 11.2**

Following the publication of the 2019 Basin-wide environmental watering strategy (BWEWS), the Murray-Darling Basin Authority (MDBA) should provide clear guidance material to Basin States on the expected content of long-term watering plans (LTWPs) when they are revised. This guidance material should include the need for LTWPs to articulate:

- Realistic long-term objectives to be achieved from the available environmental water portfolio through watering activities within current operational constraints

- Environmental watering requirements in the catchment including the required magnitude, timing and frequency of watering for priority assets, ecosystem functions and system connectivity
- The relative priority of assets within the catchment for achieving the objectives of the Basin Plan and the expected outcomes of the BWEWS
- The risks to the achievement of the long-term watering objectives.

The MDBA should seek the strategic input of asset managers and environmental water holders and managers when preparing this guidance material to ensure that the utility of LTWPs for environmental water decision making can be improved over time.

To improve the accessibility of information, the MDBA should maintain a register of LTWPs on its website, including relevant deadlines, progress towards completion, final documents when they are completed, and the status of each plan as they are reviewed and adapted over time.

GVEG agrees

### **DRAFT RECOMMENDATION 11.3**

The Basin Plan should be amended to remove the requirement for the Murray-Darling Basin Authority to produce Basin annual environmental watering priorities.

### **DRAFT RECOMMENDATION 11.4**

By 2020, Basin Governments should:

- agree to formalise the role of the Southern Connected Basin Environmental Watering Committee as the mechanism for intergovernmental coordination for environmental watering. Governance arrangements including terms of reference, membership and reporting responsibilities should be established
- establish a Northern Connected Basin Environmental Watering Committee as a mechanism for intergovernmental coordination for planning and coordinating connected environmental watering events in the northern Basin.

GVEG agrees

### **DRAFT RECOMMENDATION 11.5**

Where not yet in place, the Commonwealth Environmental Water Holder (CEWH) should set out the processes it will use to consult and coordinate with key stakeholders to make event-based watering decisions — including water managers, asset managers and other environmental water holders. These processes should be in place and documented in the CEWH's 2019-20 annual portfolio management plans.

GVEG agrees

### **DRAFT RECOMMENDATION 11.6**

Before the first revision of long-term watering plans, Basin States and environmental asset managers should have processes to engage with local communities and Traditional Owners. These activities should identify opportunities to achieve social or cultural outcomes with environmental water, while ensuring environmental outcomes are not compromised.

GVEG agrees

#### **DRAFT RECOMMENDATION 11.7**

Basin States should manage the risks to achieving the environmental watering objectives set out in long-term watering plans by delivering complementary waterway and natural resource management measures (such as habitat restoration or weed and pest control).

GVEG wishes to restate its position that complementary waterway and natural resource management measures should not be substitutes for water recovery.

#### **DRAFT RECOMMENDATION 11.8**

Before the first revision of long-term watering plans, Basin States and environmental asset managers should have processes to engage with local communities and Traditional Owners. These activities should identify opportunities to achieve social or cultural outcomes with environmental water, while ensuring environmental outcomes are not compromised.

GVEG agrees

## **Chapter 12 —Compliance**

#### **DRAFT RECOMMENDATION 12.1**

As a transitional measure, the Murray-Darling Basin Authority should house its Sustainable Diversion Limit and Water Resource Plan compliance functions within the Office of Compliance, before its compliance role comes into full effect in July 2019.

GVEG agrees

#### **DRAFT RECOMMENDATION 12.2**

Basin States should consider the role, costs and benefits of consistent metering policies including the role of metering standards.

Basin Governments should work with Standards Australia to formally revise standards to ensure quality and cost effectiveness in water measurement.

The new metering implementation plans being developed by Basin States should be supported by publicly available business cases.

GVEG agrees

#### **DRAFT RECOMMENDATION 12.3**

Enforcement of illegal water take is the responsibility of Basin States.

The Murray-Darling Basin Authority (MDBA) should publicly report instances where Basin States are not effectively responding to concerns of illegal water take.

In instances where public reporting is ineffective, the MDBA should use system-wide enforcement levers such as Sustainable Diversion Limit accounting compliance mechanisms to enforce limits on water take.



GVEG agrees

## Chapter 13 — Reporting, monitoring and evaluation

### DRAFT RECOMMENDATION 13.1

Given deficiencies in past agreements, for any future intergovernmental agreements relating to the implementation of the Basin Plan, the Australian Government should ensure:

- the roles of the Australian Government and Basin States are clearly identified
- specific performance milestones are identified, and that clear responsibility is assigned for the delivery of each milestone
- where milestones are linked to payments, that these payments are disaggregated with a payment per milestone to provide a genuine incentive for implementation
- reporting on the progress of Basin Governments in meeting milestones is timely
- independent assessment of the progress of Basin Governments is undertaken
- advice provided by relevant agencies, such as the Murray-Darling Basin Authority or the Commonwealth Environmental Water Holder, that issued to inform assessments of progress is published in full.

*GVEG agrees with this policy of disaggregated payments and payments per milestones to provide a genuine incentive for implementation. In past examples of similar policies, Federal government s have relented under pressure from the States and released funds irrespective of project completion. “Water tight” contracts would need to be entered into.*

### DRAFT FINDING13.2

The current Basin-wide evaluation framework is unclear and there is a lack of a clear strategy to coordinate the collection of the information needed to monitor the outcomes of the Plan. This means that:

- actions taken to monitor outcomes in the Basin are fragmented and inadequately integrated
- there is the potential for information gaps that may result in future evaluations being unable to accurately and comprehensively assess the impacts and outcomes of the Plan
- there is a risk of monitoring activity being duplicated
- the ability of Basin Governments to clearly communicate the outcomes of the Plan is impeded

GVEG agrees

### DRAFT RECOMMENDATION 13.2

The Murray-Darling Basin Authority (as Basin Plan Regulator) should develop a revised Basin Plan evaluation framework. This framework should define the specific questions that are to be used to evaluate the outcomes and effectiveness of the Plan, and the scales and times at which these questions will be answered. The framework should be made publicly available, and be published no later than 2019.

## Chapter 14 — Institutions and governance

### DRAFT RECOMMENDATION 14.1

Basin Governments should demonstrate strategic leadership, take joint responsibility and direct the implementation of the Basin Plan. The Murray-Darling Basin (MDB) Ministerial Council should collaborate to provide the strategic leadership and policy direction required to implement the Plan, and be ultimately accountable for implementation. The MDB Ministerial Council should reform the institutional and governance arrangements for implementing the Basin Plan by:

- enhancing the role of and delegating accountability for implementation to the Basin Officials Committee (BOC). BOC should be responsible for managing the significant risks to successful implementation and ensuring effective intergovernmental collaboration
- ensuring that formal directions to BOC regarding implementation are publicly available ensuring that arrangements to assess progress, evaluate outcomes, and ensure compliance with the Plan are fully independent recognising that the Murray-Darling Basin Authority will continue to be key to driving collaboration between and providing technical support to Basin Governments as they implement the Plan ensuring that Basin Governments are individually and collectively resourced to perform their roles to implement the Plan.

### DRAFT RECOMMENDATION 14.2

Basin Governments should agree to the restructure of the Murray-Darling Basin Authority to separate its service delivery and regulatory functions into two institutions. The Australian Government should then embark on the necessary institutional reforms to establish the:

- Murray-Darling Basin Corporation— as the agent of Basin Governments
- Basin Plan Regulator— an independent Commonwealth Statutory Authority. These institutional reforms should be in place by 2021.

### DRAFT RECOMMENDATION 14.3

To enable it to carry out its enhanced role, by 2020 the Basin Officials Committee should:

- comprehensively review the capability and the resourcing it requires to jointly implement the Plan
- agree on the capability and services Basin Governments require of the Murray-Darling Basin Corporation to support them to implement the Plan and for shared water resource management
- establish new arrangements and processes to support ongoing intergovernmental collaboration.

### DRAFT RECOMMENDATION 14.4

As a transitional measure, and before the Murray-Darling Basin Authority's compliance role comes into full effect in July 2019, the Office of Compliance should be broadened to be the Office of the Basin Plan Regulator, and include compliance and evaluation functions.

#### **DRAFT RECOMMENDATION 14.5**

In establishing the Basin Plan Regulator by 2021, the Australian Government should ensure that it will be effective, including by reviewing the skills mix of the statutory appointments and establishing a statement of expectations. .

In relation to recommendations included in Chapter 14: Institutions and Governance [GVEG endorse the comments in the Environment Victoria submission.](#)

GVEG thank the Productivity Commission for this opportunity to comment on its draft recommendations,

Regards,

John Pettigrew  
GVEG President

***Protecting the environment for generations  
to come***